Pipeline hub sought to move natural gas

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A pair of energy companies are proposing a \$38 million natural-gas pipeline hub in Colorado to help move Rocky Mountain gas more efficiently.

The proposed White River Hub will connect a gas-processing complex near Meeker with as many as six interstate pipelines, according to project developers Enterprise Products Partners LP of Houston and Salt Lake City-based Questar Corp.

"It's a pretty slick project," said Porter Bennett, chief executive of Golden-based research firm Bentek Energy LLC. "It will give (natural-gas) producers a lot of flexibility in moving their gas."

Although it will enhance the ability to transport natural gas, the new hub is unlikely to significantly change the discounted price of Rocky Mountain gas compared with national averages, Bennett said.

A shortage of pipelines to send Rockies gas to other regions in the U.S. has left the West with more production than it can transport, keeping prices low.

For example, gas at a trading hub in Opal, Wyo., has sold for an average of \$4.52 per thousand cubic feet this year, compared with \$7.11 at the benchmark Henry Hub in Louisiana.

The proposed new hub will be built next year if Enterprise and Questar receive enough commitments to use the facility from natural-gas producers, primarily in Colorado's Piceance Basin and the Uinta Basin of Utah.

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